

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket No. 51, 76

**CERTIFICATION OF COUNSEL SUBMITTING *REVISED PROPOSED* INTERIM ORDER
(I) AUTHORIZING THE DEBTORS TO (A) OBTAIN SENIOR SECURED PRIMING
SUPERPRIORITY POSTPETITION FINANCING AND (B) USE CASH COLLATERAL,
(II) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY
ADMINISTRATIVE EXPENSE STATUS, (III) GRANTING ADEQUATE
PROTECTION TO THE PREPETITION SECURED PARTIES,
(IV) MODIFYING THE AUTOMATIC STAY, AND
(V) GRANTING RELATED RELIEF**

On November 4, 2024, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Priming Superpriority Postpetition*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief [Docket No. 51] (the “Motion”)² with the United States Bankruptcy Court for the District of Delaware (the “Court”). A proposed form of interim order was attached to the Motion as Exhibit A (the “Proposed Interim Order”). The DIP Credit Agreement was attached to the Proposed Interim Order as Exhibit 1 (the “DIP Credit Agreement”) and the initial budget was attached to Proposed Interim Order as Exhibit 3 (the “Initial Budget”).

On November 5, 2024, the Debtors filed the *Notice of Filing of Blackline of Proposed Interim Order (I) Authorizing the Debtors to (A) Obtain Senior Secured Priming Superpriority Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* [Docket No. 76] (the “Revised Proposed Interim Order”). That same day, the Court held a hearing to consider, among other things, the relief requested in the Motion on an interim basis (the “Hearing”). During the Hearing, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), the HoldCo Lenders, and the Second Lien Term Loan Lenders³ (together with the U.S. Trustee, the “Parties”) objected to the Motion and the Court continued the Hearing to November 6, 2024 (the “Continued Hearing”). At the Continued Hearing, the Court overruled the Parties’ objections and indicated that it would grant the relief requested, as modified and discussed on the record, subject to the Debtors’ submission of a revised form of the Proposed Interim Order.

² Capitalized terms used but not defined herein have the meaning given to such terms in the Motion.

³ Each as defined in the *Declaration of David Orlofsky in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings* [Docket No. 15].

Following discussions with the Parties, the Debtors have amended the Revised Proposed Interim Order (the “Further Revised Proposed Interim Order”), including the DIP Credit Agreement (the “Revised DIP Credit Agreement”) and the Initial Budget (the “Revised Budget”), attached hereto as Exhibit A, incorporating the changes reflected on the record and the rulings made by the Court at the Continued Hearing. The Debtors circulated the Further Revised Proposed Interim Order, including the Revised DIP Credit Agreement and Revised Budget, to the Parties and the Parties have advised the Debtors’ undersigned counsel that they do not object to entry of the Further Revised Proposed Interim Order. The Debtors respectfully submit that the Further Revised Proposed Interim Order is consistent with the Court’s ruling on the record at the Continued Hearing. For the convenience of the Court and other interested parties, a blackline comparing the Further Revised Proposed Interim Order against the Revised Proposed Interim Order is attached hereto as Exhibit B.

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WHEREFORE, the Debtors respectfully request entry of the Further Revised Proposed Interim Order without further notice or a hearing.

Dated: November 7, 2024
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Shella Borovinskaya

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